The interest rates available in the market have fallen considerably in the recent past as a result of which it will be difficult for LIC to accept new business with existing premium rates under these plans.

Committee on Capital Market

2410. SHRI RUMANDLA RAMACHANDRAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether Government are planning to convert the high-level Committee on capital market into a permanent body for coordinating/functioning of various regulators;

(b) whether the final decision in this regard has already been taken; and

(c) if so, to what extent it will be beneficial?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) This High-Level Committee is already a standing Committee.

(b) and (c) Do not arise.

Report of Eleventh Finance Commission

2411. SHRI K.M. KHAN: Will the Minister of FINANCE be pleased to state:

(a) whether the Eleventh Finance Commission has submitted its full and final Report to Government;

(b) if so, the salient features thereof;

(c) the action taken by Government on the recommendations contained in the Report;

(d) whether Commission has suggested/recommended any compensation to 'progressive States' like Andhra Pradesh based upon their performance;

(e) if so, the details thereof; and

(f) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (f) The Eleventh Finance Commission (EFC) submitted its main report for the period 2000-05 on 7.7.2000 and the report on the additional terms of reference on 30.08.2000. These reports together with Explanatory Memoranda on the action taken on the recommendations of these reports were laid on the Table of the House on 27th July, 2000 and 19th December, 2000 respectively.

While recommending share in central taxes and local body grants to States, EFC has given due regard to the performance of States in their underlying criteria. Besides, the Commission has recommended for creation of an Incentive Fund from which fiscal performance based grants are to be released to the States. Pursuant to this recommendation, a scheme for States' Fiscal Reforms Facility (2000-01 to 2004-05) has been drawn up to encourage the States to draw Medium Term Fiscal Reform Programme (MTFRP) aimed at reducing their revenue deficit by 5 percentage points in each year. So far, MTFRP of 13 States has been finalised and Rs. 1457 crores has been released to these States out of the Incentive Fund.

Allocation of funds to Jharkhand By 'NABARD'

2412. SHRI PARMESHWAR KUMAR AGARWALLA: Will the Minister of FINANCE be pleased to state:

(a) the amount allocated by the NABARD to Jharkhand for implementation of various projects in the State during each of the last three years, project-wise;

(b) the criteria adopted for selection of these projects; and

(c) the time by when each of these projects is likely to be completed?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) National Bank for Agriculture and Rural Development (NABARD) has reported that it